

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Indiana Government Center North Room N1058 (B)
Indianapolis, Indiana 46204

ORDER

IN THE MATTER OF TAX REQUEST OF)	
GREATER CLARK COUNTY SCHOOLS)	
(CLARK COUNTY) FOR APPROVAL OF A)	
LEASE WITH GREATER CLARK COUNTY)	No. 07-023
SCHOOL BUILDING CORPORATION)	

A petition was filed on behalf of Greater Clark County Schools for approval of a lease with the Greater Clark County School Building Corporation providing for the lease of a school building for a term of twenty-two (22) years at a lease rental of \$4,187,000 per payment during renovation payable on June 30, 2008, December 31, 2008, and June 30, 2009. The first full rental installment shall commence on the date that the school building is completed and ready for occupancy or December 31, 2009, whichever is later, at an annual lease rental of \$8,374,000. The lease includes an option to purchase such building.

The Department of Local Government Finance ("Department"), pursuant to Executive Order 05-19, has reviewed the proposed lease and the Project, and has applied the guidance set forth in the Guidance for Review of School Building Project Financing and the factors set forth in I.C. 20-46-7-10. The school has complied with the appropriate provisions of I.C. 6-1.1-20 and I.C. 20-46-7. After careful consideration of all facts, the Department finds the following:

1. Greater Clark County Schools are located in Clark County, Indiana, and the school board is the duly organized entity responsible for the establishment and operation of Greater Clark County Schools, Clark County.
2. The Purpose of the lease rental agreement is to:
 - a. Construct a new Charlestown High School on the same site as the existing Charlestown High School. Newer additions to Charlestown High School will be renovated and used with the new school.
 - b. Extensive renovation and an addition at Jeffersonville High School to prepare the building for the next twenty years.

- c. A renovation and addition at New Washington Middle/Senior High School will separate the middle and high school students for increased security.
3. The total project cost, as present to the Department of Local Government Finance, is \$100,000,000.
4. School officials properly advertised and held a notice of preliminary determination hearing November 14, 2006.
5. Taxpayers filed for a petition and remonstrance process. The School Corporation gathered 4,345 signatures and those opposed to the project gathered six.
6. Capital projects funds are not available for this project.
7. The persistence to graduation rate for this school district is at sixty-seven percent (67%) and the graduation rate is at seventy-seven percent (77%).
8. The school's debt to assessed value ratio is one and fifty-two hundredths percent (1.52%), not including this project.
9. Construction costs associated with the Charlestown High School project exceed the construction cost thresholds established by the Department for 2007. The construction cost per square foot is \$173.44 compared to the Department's threshold of \$168.30 per square foot.
10. School officials stated the reason the project exceeded the Department's threshold was due to the need to work around existing facilities and having students in the school during the project, the construction period will be longer than those periods that are traditionally seen in new construction projects.
11. The school property tax control board made a favorable recommendation with a vote of 7-2 approving the proposed lease rental agreement with a maximum annual payment of \$8,347,000 for twenty-two (22) years.
12. The modified approval is based on a reduction of the total project cost allowed to be financed under this order. The total project cost shall not exceed \$99,000,000. The total project cost has been reduced to the maximum allowed under the Department's construction cost per square foot baseline.

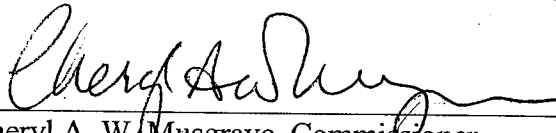
Based on the above findings, it is therefore ordered that the Department gives **MODIFIED APPROVAL** for the execution of a lease with the Greater Clark County School Building Corporation, providing for the lease of a school building

for a term of twenty-two (22) years at a lease rental of \$4,143,000 per payment during renovation payable on June 30, 2008, December 31, 2008 and June 30, 2009. The first full rental installment shall commence on the date that the school building is completed and ready for occupancy or December 31, 2009, whichever is later, at an annual lease rental of \$8,286,000. This approval is limited to the projects described in file #07-023 as presented to the School Property Tax Control Board and the Commissioner for consideration.

If the construction bids received for the Project are lower than the estimated construction costs presented to the Department, the school corporation and building corporation shall amend the lease to lower the lease rental payments to amounts which will amortize the debt. The debt will be limited to the total of the construction bids, costs of issuance, soft construction costs, and construction contingencies. In total, the costs of issuance, soft construction costs, and construction contingencies shall not exceed the amounts presented to the Department of Local Government Finance for consideration.

To obtain a debt service rate for 2007 pay 2008, the unit must comply with the provisions of I.C. 6-1.1-17-3. In addition, on or before December 31, 2007, the unit must execute the above issue and file with the Department of Local Government Finance a final amortization schedule.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

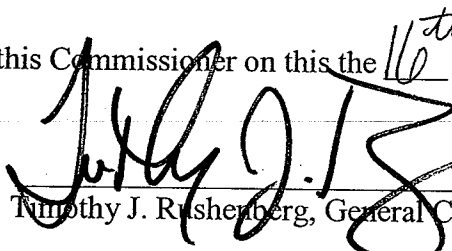

Cheryl A. W. Musgrave, Commissioner

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Timothy J. Rushenberg, General Counsel for the Department of Local Government Finance, do hereby certify that the above is a full, true, and complete copy of the order of the Commissioner made this date in the above-entitled matter.

WITNESS MY HAND AND SEAL of this Commissioner on this the 16th day of November, 2007.


Timothy J. Rushenberg, General Counsel

Ind. Code 5-1-18, requires local units of government to provide debt information to the DLGF not later than December 31 of the year in which the bonds are issued or the lease is executed. In addition, local units of government are also required to annually (before March 1) provide the DLGF with information regarding their outstanding debt obligations. The documents that must be completed can be found on the DLGF website: http://www.in.gov/dlgt/rates/debt_reporting.html. Please submit completed documents electronically to data@dlgf.in.gov. Questions regarding these documents may be directed to Cheryl Prochaska at (317) 244-4480.